

# NONAPPROPRIATED FUND FINANCIAL SUMMARY

## FY 98 CORPORATE REPORT

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In FY 98, the U.S. Army Military District of Washington (MDW) Morale, Welfare, and Recreation Fund (IMWRF) welcomed Fort Hamilton into the IMWRF. The MDW IMWRF programs generated revenues in excess of \$46M that produced a net income before depreciation (NIBD) of \$2.8M. These resources were applied toward Capital Purchases and Minor Construction (CPMC) projects costing over \$2.7M. This is an increase of \$1.1M in CPMC execution from FY 97. Major programs benefiting from this investment were Golf Courses for \$684K; Bowling Centers for \$437K; Officers' Clubs for \$775K; NOC/Community Clubs for \$307K; and other activities totaling \$529K.

Major contributors, as expected, were mainly category C programs. These programs included Golf (\$1.0M); Officers' Clubs (\$733K); Community Clubs (\$287K); Guesthouses (\$264); Marina (\$163K); and Bowling (\$154). Additional programs contributing significantly were Information, Ticketing, and Registration (\$162); Pools (\$125); and Special Events (\$104).

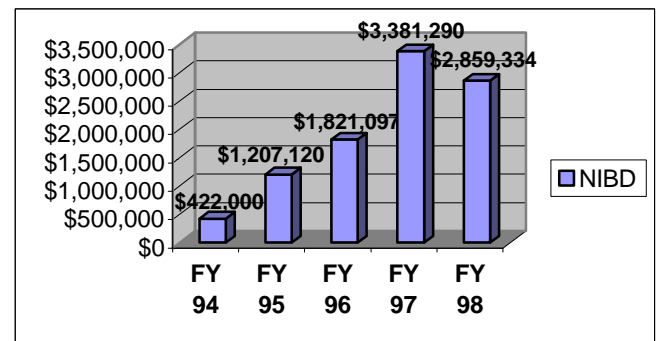
AAFES dividends to the IMWR One Fund were \$4.35M as compared to \$3.46M in FY 97. Interest income was \$243.5K compared to \$3.46K in FY 97. Interest was paid at an average of 1.9 percent. This remained constant with FY 97.

Major expense elements included Services Division (-\$1.4M); Marketing (-\$681K); NAF Civilian Personnel Offices (-\$624K); Unit Funds (-\$115K); and Financial Management (-\$103).

MDW's contribution to the Army's Capital Reinvestment (CRA) was \$916K, which represents 2 percent of total revenue. This is a decrease of \$354K from FY 97. CRA for FY 97 was 3 percent of total revenue.

FY 98 budgeted NIBD was \$3.26M as compared to actual NIBD (adjusted for BRAC expenses) of \$2.89M. This represents a negative 12.3 percent variance of \$395K. NIBD was 6.2 percent of total revenue; this fell short of the Army 7 percent standard by .8 percent.

### NET INCOME BEFORE DEPRECIATION



FY 95 NIBD was \$1.1M but was not subject to the CRA. In addition, FY 95 NIBD was \$153K less due to one time base closure (BRAC) expenses associated with Cameron Station.

FY 96 NIBD was \$1M after paying \$804K in support of the CRA at 2 percent of total revenue.  
 FY 97 NIBD was \$2.1M after paying 3 percent CRA, amounting to \$1.2M. Completion of two major construction projects in our category C activities increased profit by over \$500K. AAFES dividends increased by \$429K from FY 97.

FY 98 NIBD was \$2.8M, however our adjusted NIBD (including CRA) was 1 percent less than FY 97 adjusted NIBD of \$3.8M.

## **OPERATIONAL INDICATORS**

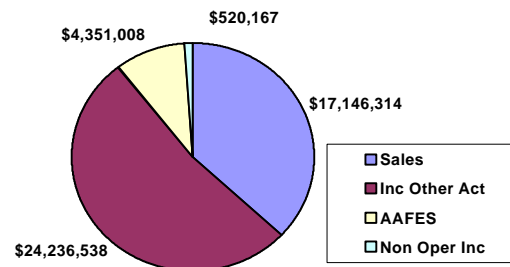
Sales revenue increased from \$16.3M in FY 97 to \$17.1M in FY 98 representing a 4.9 percent increase.

Labor costs rose from \$22.2 M in FY 97 to \$24.2M in FY 98 representing a 9 percent increase. Separation pay was paid to Ft Ritchie employees and the cost of living rose from 2.3 percent in FY 97 to 3.8 percent in FY 98. Labor costs as a percent to total revenue only rose 1 percent from FY 97.

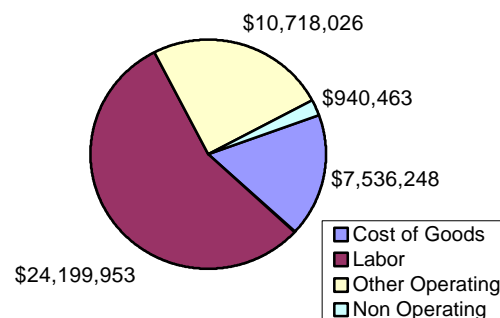
Other operating expenses as a percent of revenue declined .3 percent from previous FY. This generated a savings of \$398K.

Other non-operating expenses decreased from \$1.3M in FY 97 to a BRAC adjusted figure of \$904K for FY 98. This is primarily due to the reduction of CRA from 3 percent to 2 percent.

## **INCOME SOURCES - FY 98**



## **EXPENSE SOURCES - FY 98**



## **BALANCE SHEET**

Total cash in bank at the end of FY 98 was \$11.9M and total fund assets were \$49.7M. total liabilities were \$6.7M. Total liabilities and fund equity were \$49.7M.

The IMWRF One Fund's cash-to-debt ratio was 1.75:1 meeting the Army financial standard of between 2.0 to 1. Cash-to-debt is defined as total cash divided by current liabilities.